

# Fall 2011 Investor Presentation

Stewart Information Services Corporation

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## Forward-looking Statements

Certain statements in this presentation are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to future, not past, events and often address our expected future business and financial performance. These statements often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "will" or other similar words. Forward-looking statements by their nature are subject to various risks and uncertainties that could cause our actual results to be materially different than those expressed in the forward-looking statements. These risks and uncertainties include, among other things, the severity and duration of current financial and economic conditions; continued weakness or further adverse changes in the level of real estate activity; changes in mortgage interest rates, existing and new home sales, refinancing of current loans, and availability of mortgage financing that affect the demand for our title insurance products; our ability to respond to and implement technology changes, including the completion of the implementation of our enterprise systems; the impact of unanticipated title losses on the need to further strengthen our policy loss reserves; any effect of title losses on our cash flows and financial condition; the impact of our increased diligence and inspections in our agency operations; changes to the participants in the secondary mortgage market; the effect of class actions and other litigation matters; regulatory non-compliance, fraud or defalcations by our title insurance agents or employees; our ability to timely and cost-effectively respond to significant industry changes and introduce new products and services; the impact of changes in governmental and insurance regulations, including any future reductions in the pricing of title insurance products and services; our dependence on our operating subsidiaries as a source of cash flow; customers finding other sources of suppliers; the continued realization of expected expense savings resulting from our expense reduction steps; our ability to access the equity and debt financing markets when and if needed; our ability to grow our international operations; and our ability to respond to the actions of our competitors. These risks and uncertainties, as well as others, are discussed in more detail in our documents filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2010, and our Current Reports on Form 8-K. We expressly disclaim any obligation to update any forward-looking statements contained in this presentation to reflect events or circumstances that may arise after the date hereof, except as may be required by applicable law.

## Non-GAAP Disclosures

This presentation may contain certain financial measures that are not presented in accordance with generally accepted accounting principles (GAAP), including but not limited to, losses and litigation expenses arising from non-predictable title losses and adjusted pretax title margin, which is adjusted to exclude net realized investment gains or losses and reserve adjustments. Although these exclusions represent actual gains, losses or expenses to the Company, they may mask the periodic income and financial and operating trends associated with the Company's business. The Company is presenting these non-GAAP financial measures because they provide the Company's management and investors with additional insight into the operational performance of the Company relative to earlier periods and relative to the Company's competitors. The Company does not intend for these non-GAAP financial measures to be a substitute for any GAAP financial information. In this presentation these non-GAAP financial measures have been presented with, and reconciled to, the most directly comparable GAAP financial measures. Investors should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures.

# Key Investment Highlights

- **Extensive Industry Experience**
  - Publicly held business managed by fourth generation of founding family
  - Industry leading expertise in serving all segments of the real estate services market
  - Conservative management style
- **Balance Sheet Strength**
  - One of the strongest premium-to- surplus ratios of the leading title insurers
  - Low balance sheet leverage
  - High quality equity capital base
- **Improving Cash Flows**
  - Transforming cost structure and aligning operations for cyclical market conditions
  - Cash claims payments trending down with reduced numbers and dollars of new incurreds
  - Increasing premium rates, remittances and other revenues
  - Introduction of profitable new services
- **Attractive Opportunity**
  - Established market share in \$10 billion domestic industry
  - Well-balanced geographic national footprint
  - Continued diversification into complementary real estate services
  - Focus on scalable and profitable markets including commercial and international operations
  - New highly focused CEO and streamlined management team

# Extensive Industry Experience

- **Two Business Segments**

- Title Insurance Related Services
- Real Estate Information

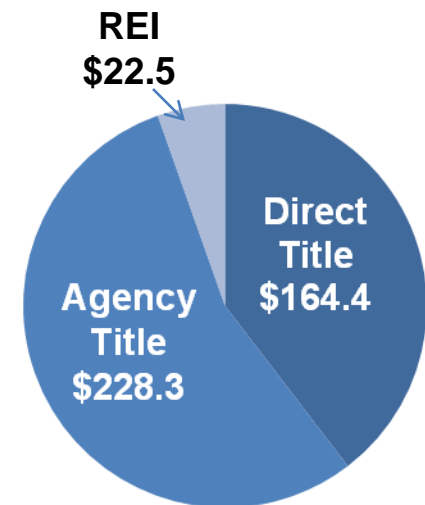
**Q3 2011 Operating Revenue  
\$415.2 - \$ Millions**

- **Title Insurance Related Services**

- Title insurance to the residential and commercial sectors through direct and independent agencies domestically and globally
- Includes the functions of searching, examining, closing and insuring the condition of the title to real property

- **Real Estate Information (REI)**

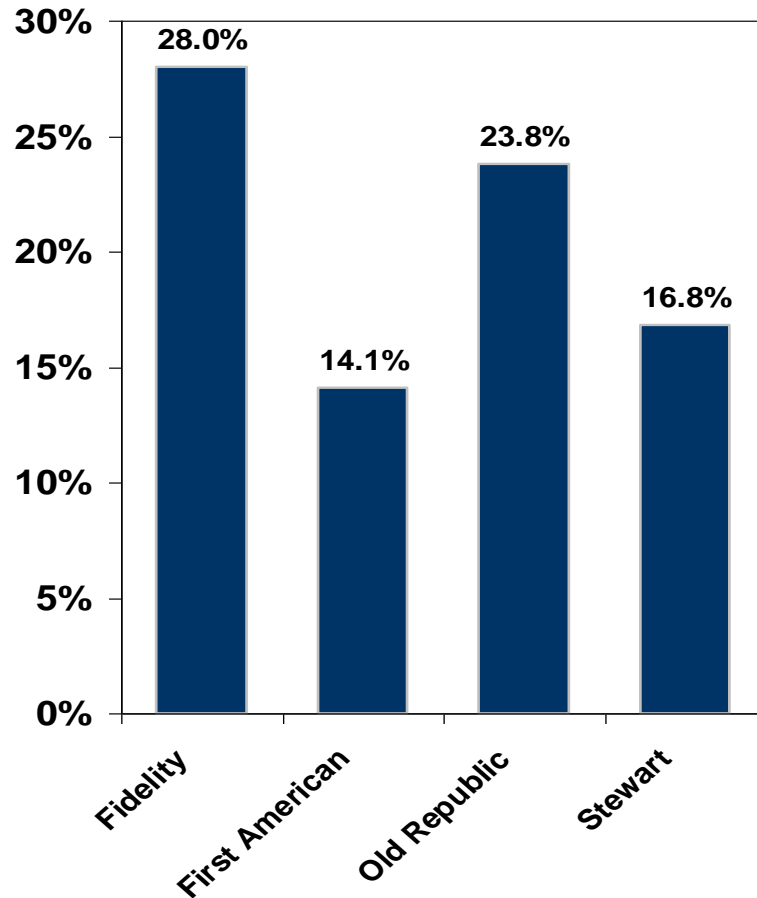
- Mortgage Origination, Servicing and Default Support Services
  - Origination includes: Post-Closing Management, Loan Review & Due Diligence Audits
  - Servicing Support includes: Call Center Services, Loss Mitigation Support, Short Sale & Deed-in-lieu services, Servicing Transfer Support, Loss Mitigation & Servicing File Reviews
  - Default Support Services: Foreclosure File Reviews, Foreclosure Audits, REO Asset Management, REO Rental Management



# Conservative Balance Sheet

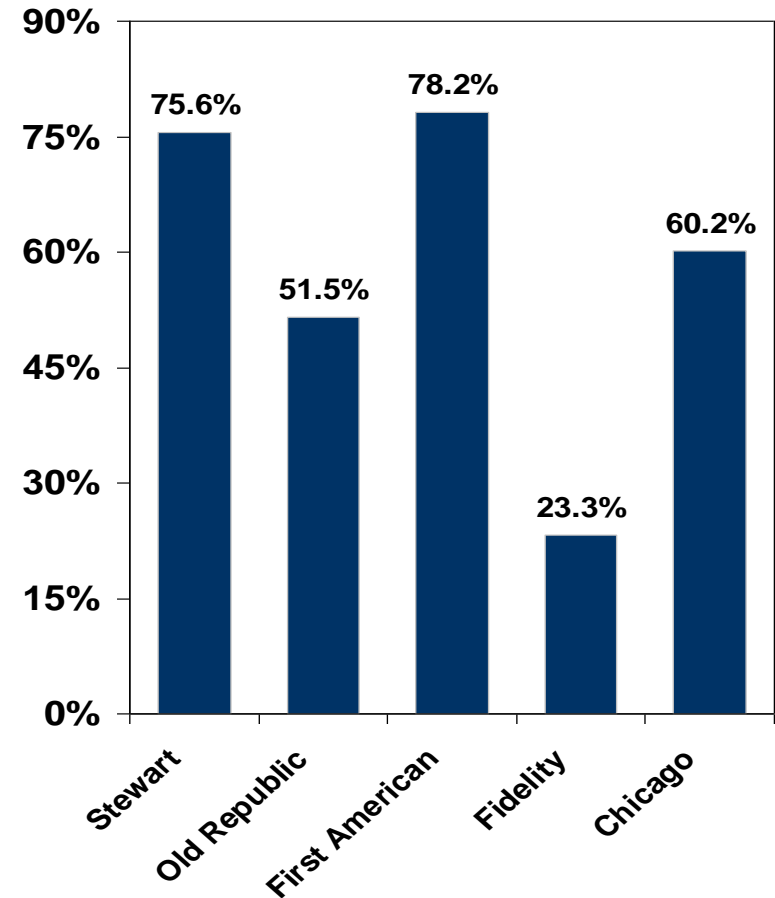
## Debt Divided By Equity

Percent - Q3 2011



## Surplus to Reserves Ratio

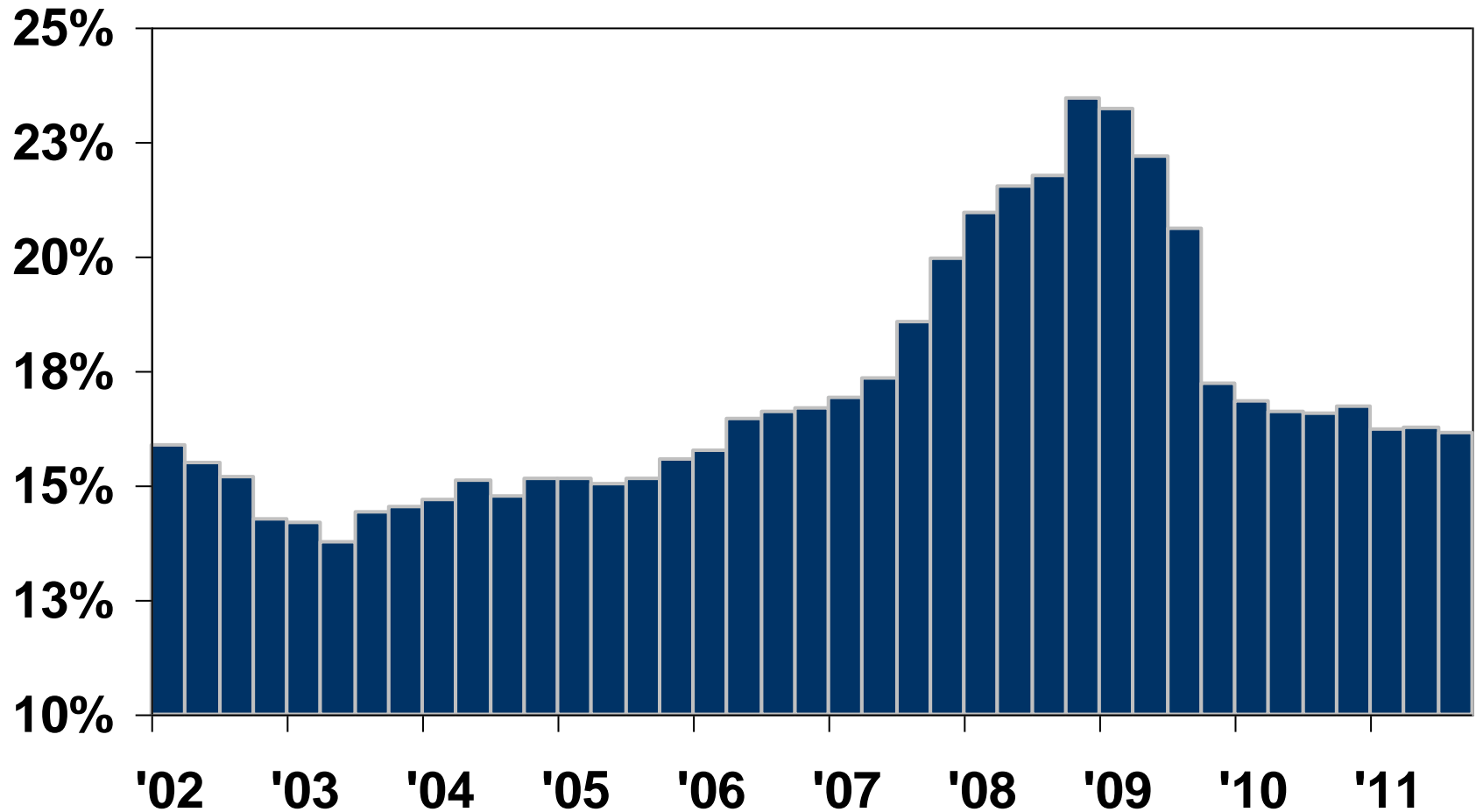
12.31.10 - Bigger is Better



# Other Operating Expenses

As a Percentage of Operating Revenues

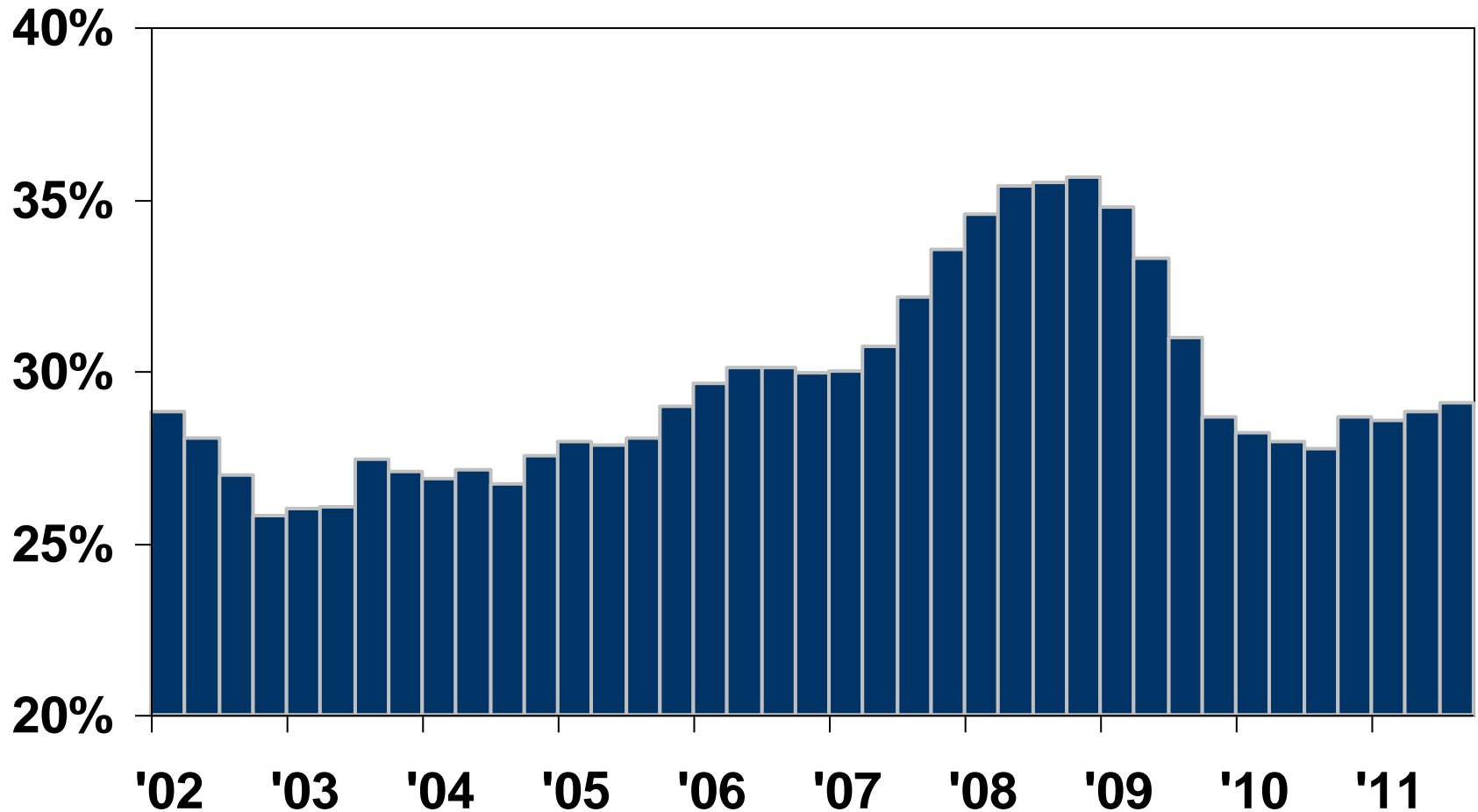
*Trailing Twelve Months*



# Employee Expenses

As a Percentage of Operating Revenues

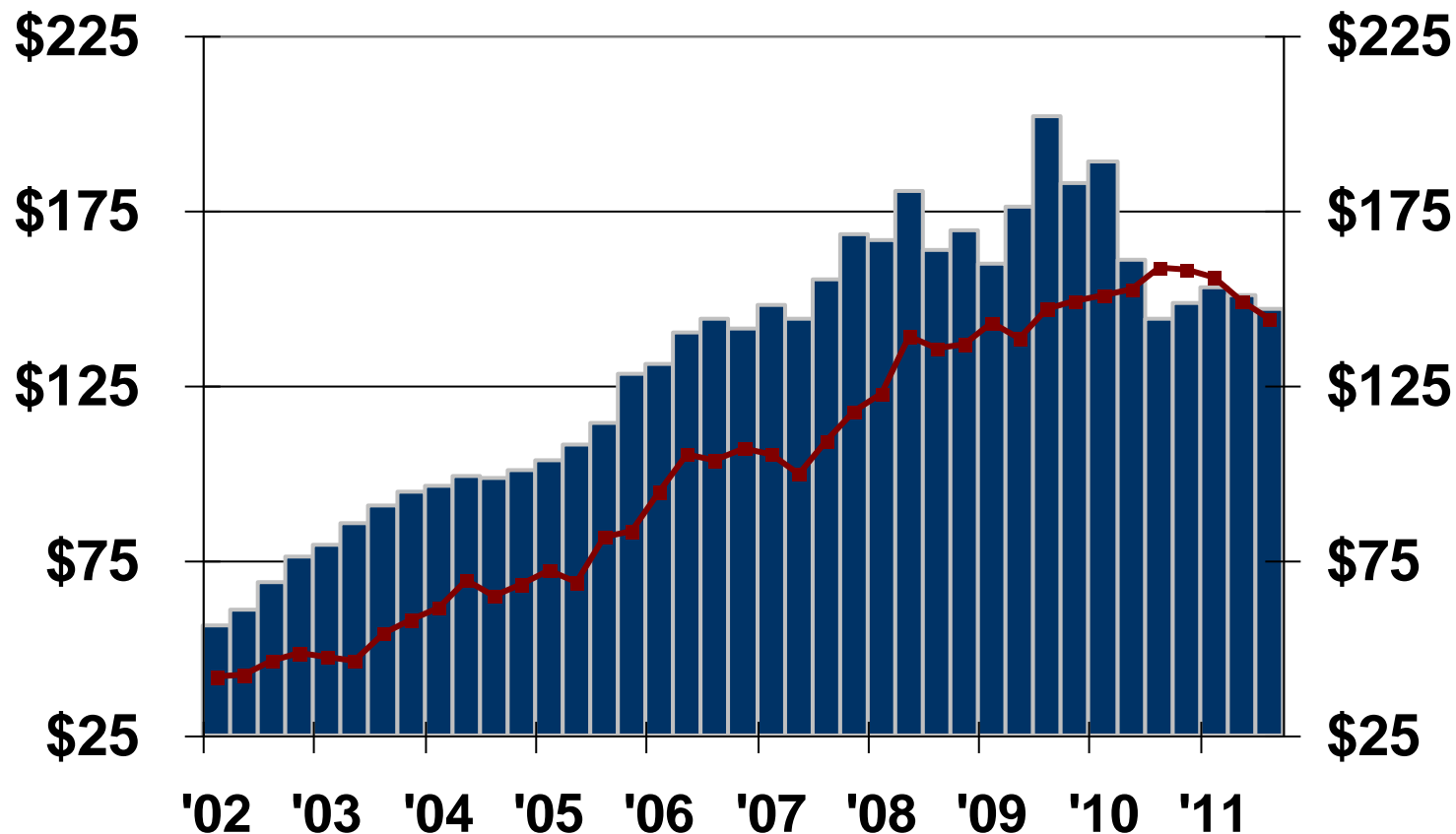
*Trailing Twelve Months*



# Claims Expense Vs. Cash Claims Paid Net of Recoveries

Trailing Twelve Months - \$ Millions

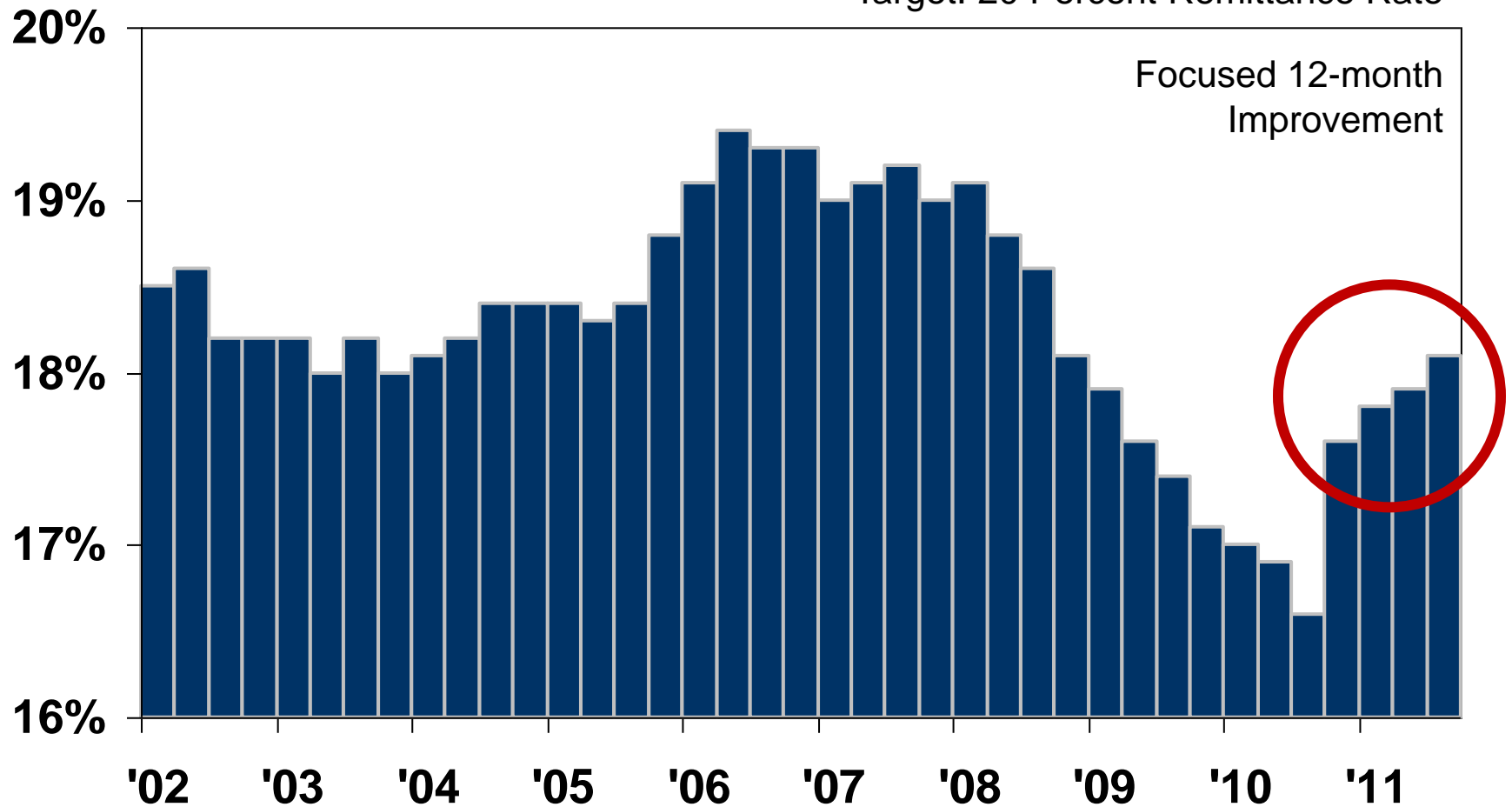
Cash Claims Paid  
Net of Recoveries



# Agency Remittance Rates

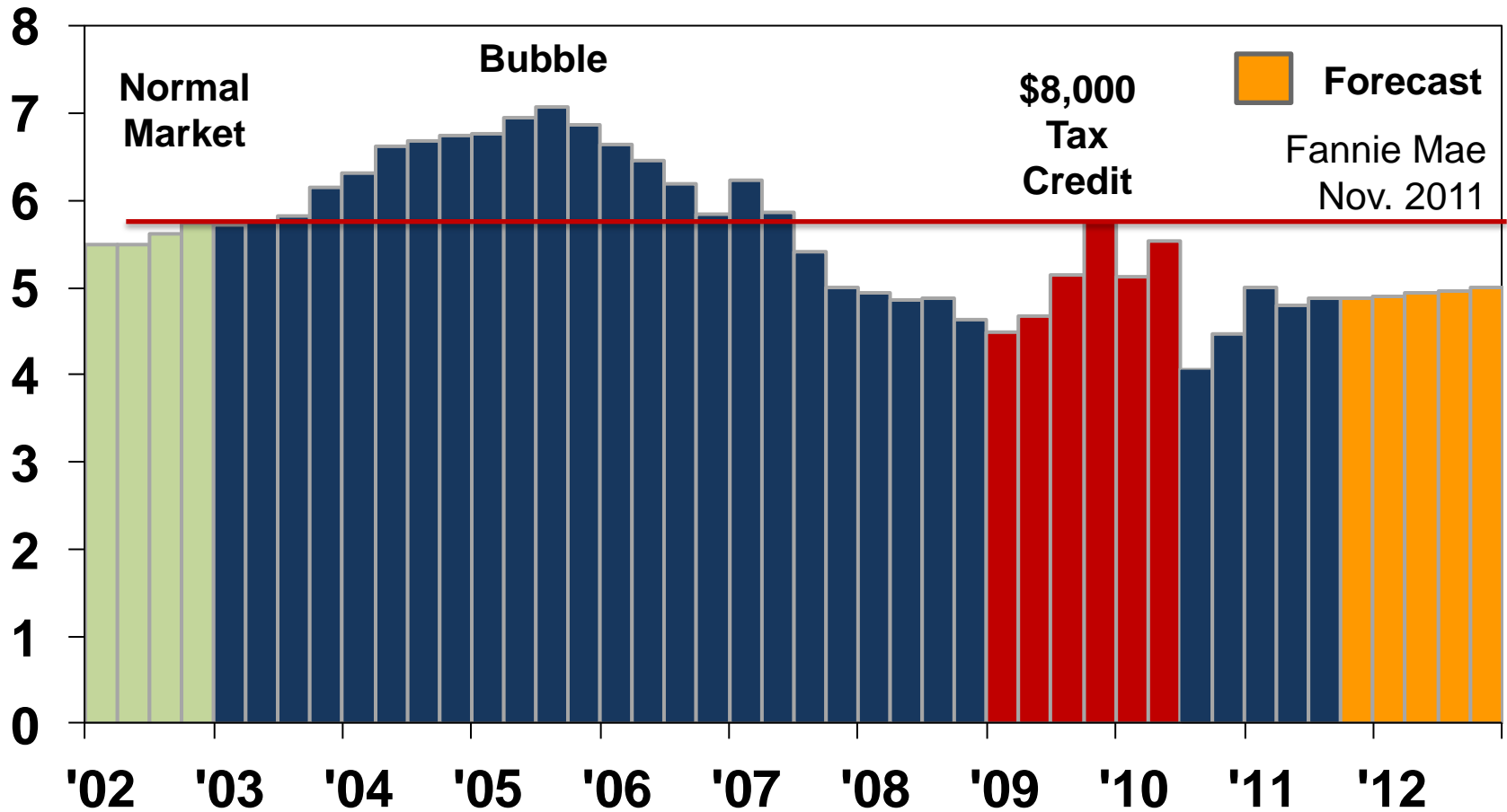
*Trailing Twelve Months*

Target: 20 Percent Remittance Rate



# U.S. Existing Housing Sales

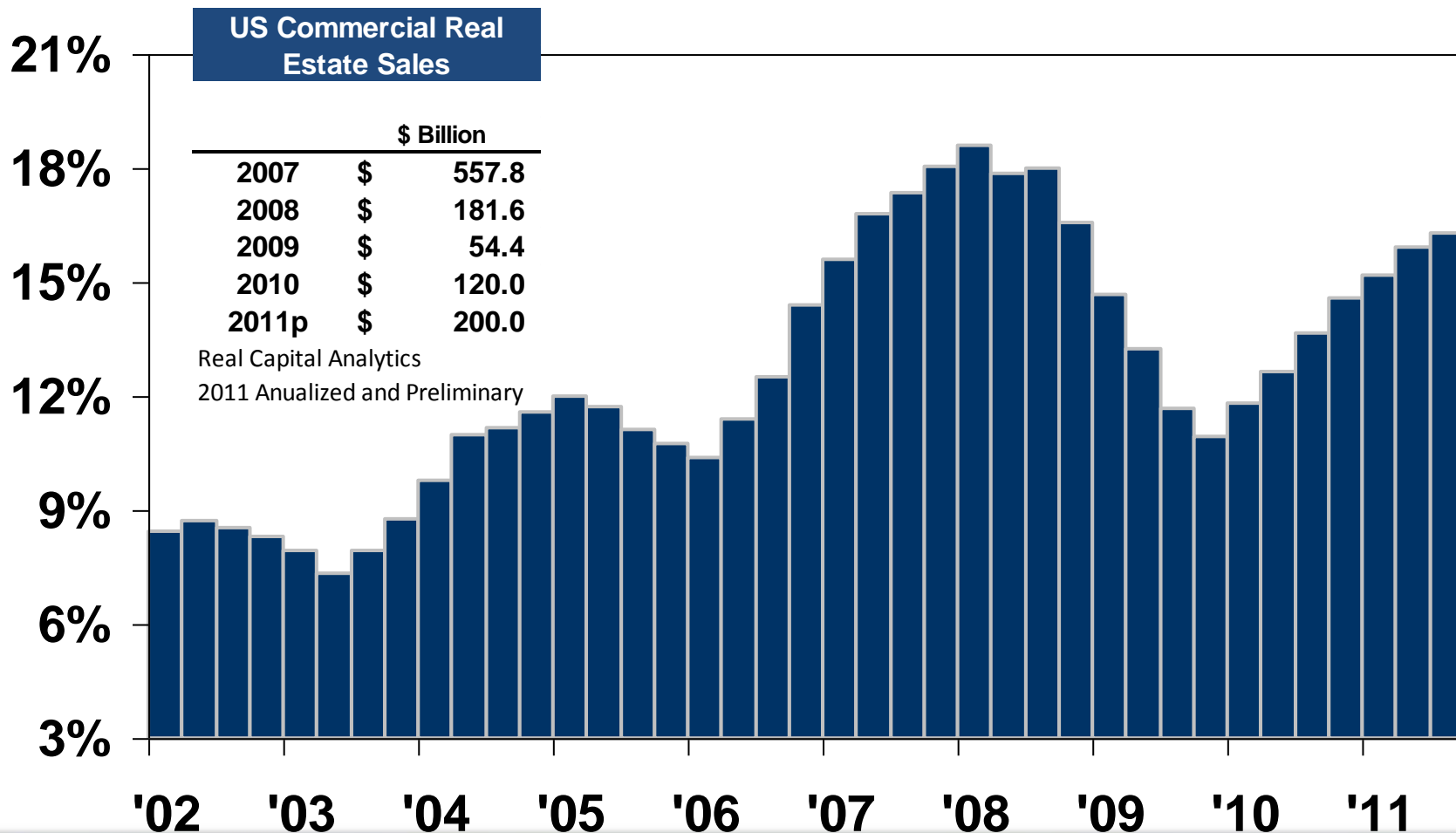
Seasonally Adjusted Annualized Rate - \$ Millions



 National Association of REALTORS®

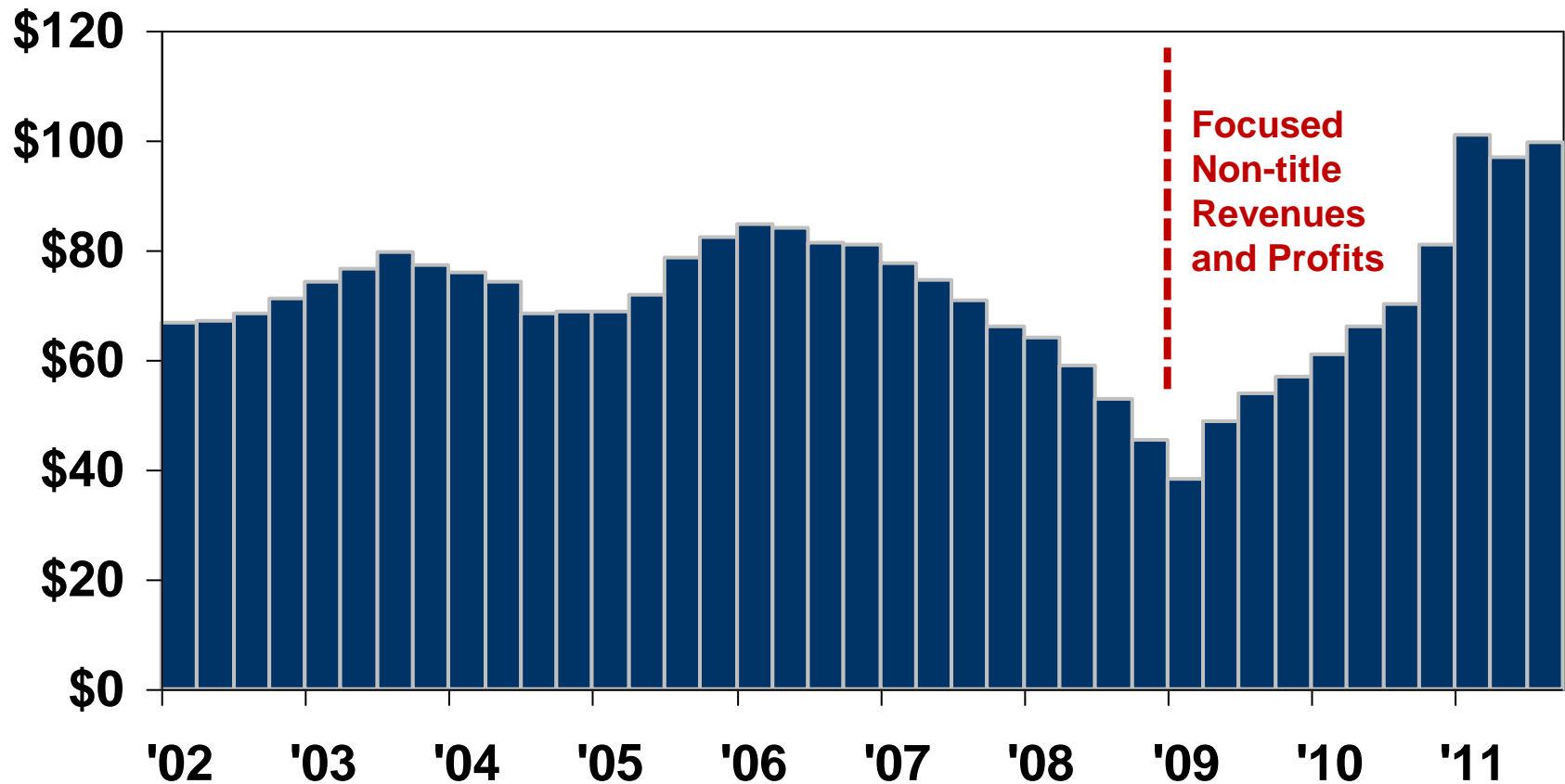
# Growing Commercial Premiums As a Percentage of Direct Title Revenues

Trailing Twelve Months - \$ Millions



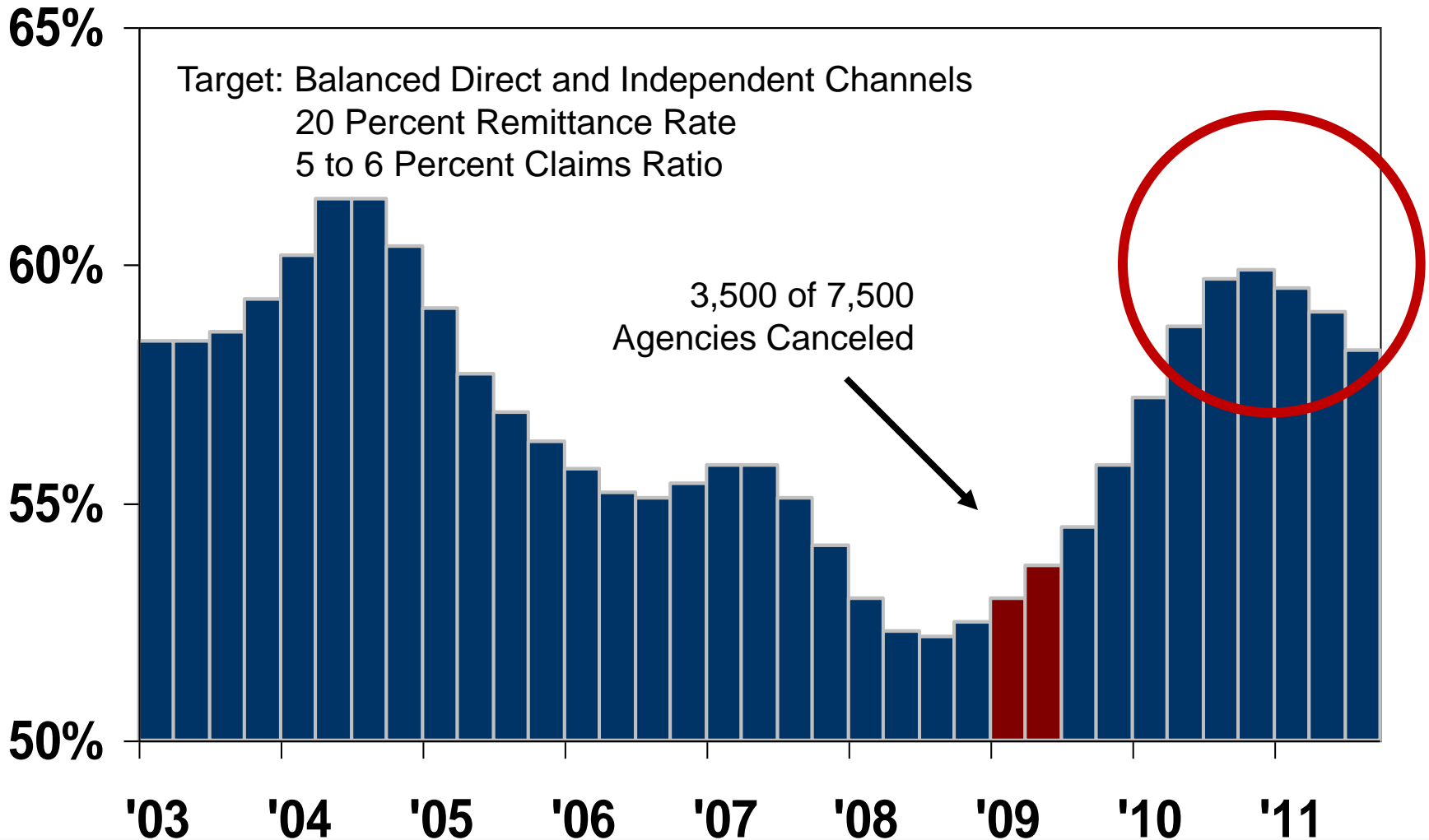
# Stewart REI Operating Revenues

Trailing Twelve Months - \$ Millions



# Percent Agency Revenues

Fourth-Quarter Moving Average



# Strategic Commitments

- **Simplification and Alignment**
- **Profitable and Scalable Operations**
- **Strategic Pricing**
- **Claims Reduction and Risk Avoidance Initiatives**
- **Smart Growth**

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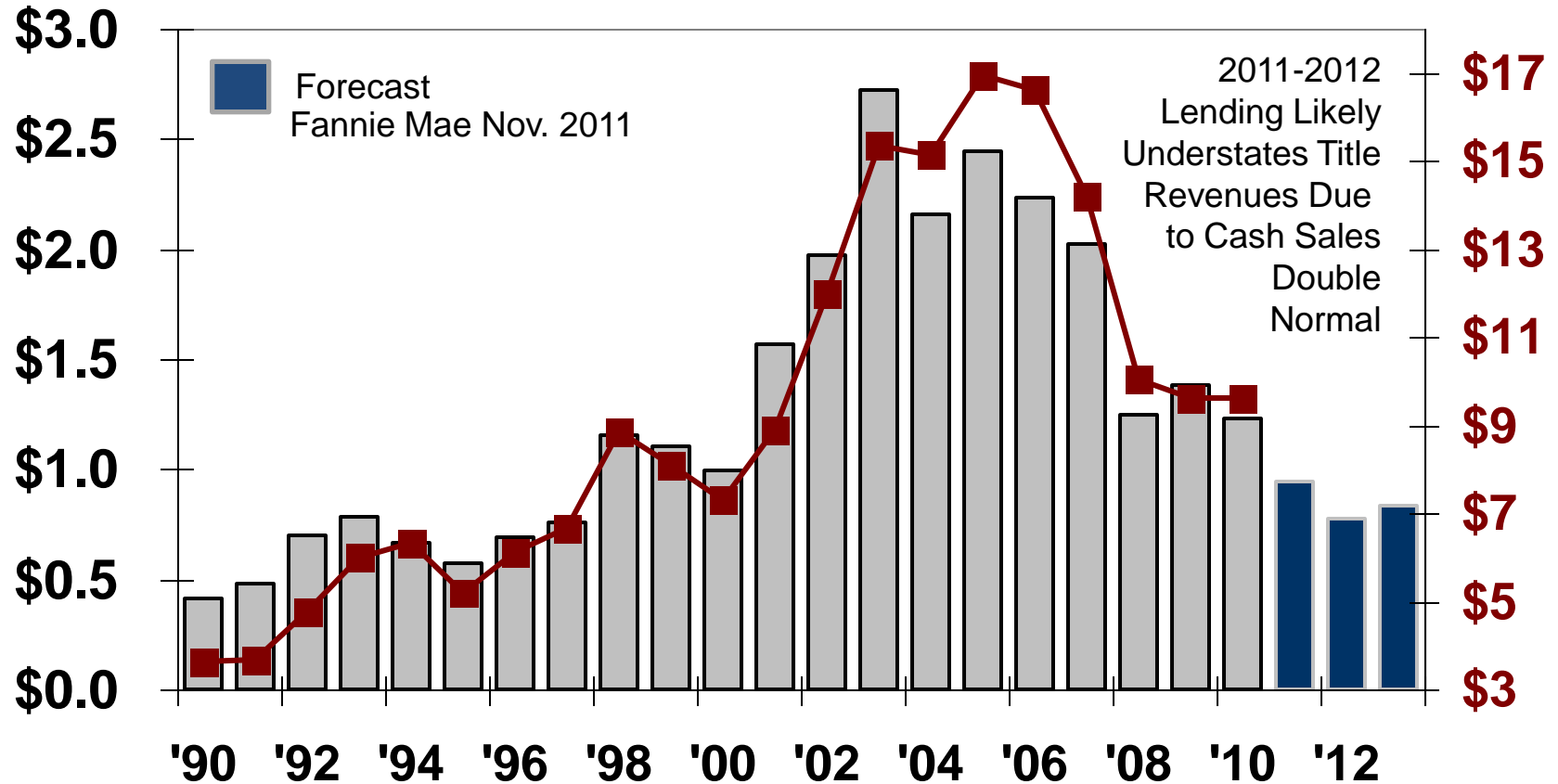
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# Appendix

# Residential Lending Vs. Industry Title Premiums

Effective Lending - \$ Trillions

Statutory Title Premiums \$ Billions

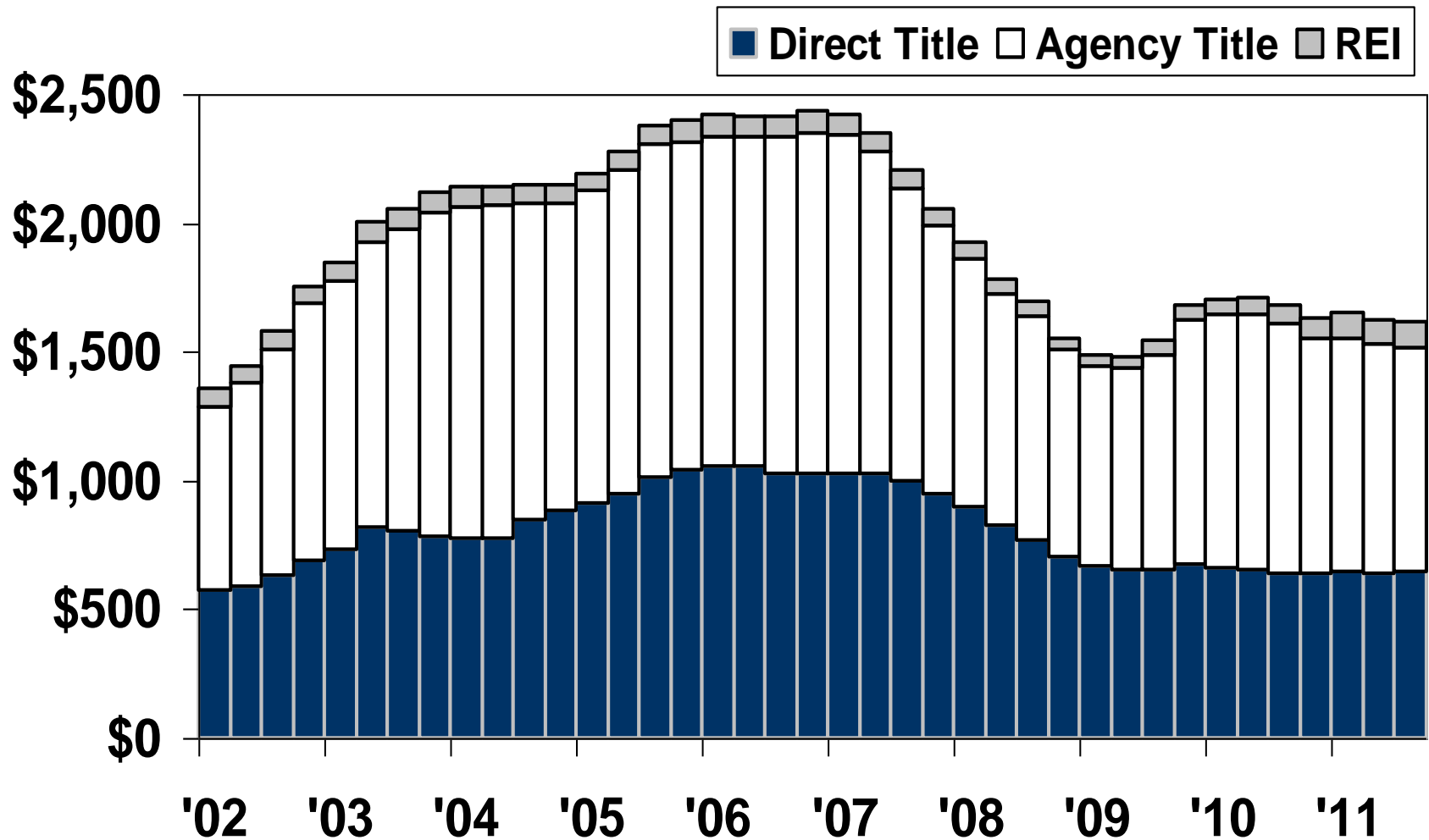


Effective Lending = Purchase Lending + 60 Percent of Refinance Lending

Data Sources: Lending = Fannie Mae, Title Premiums = CDS Research, Demotech and ALTA

# Stewart Operating Revenues

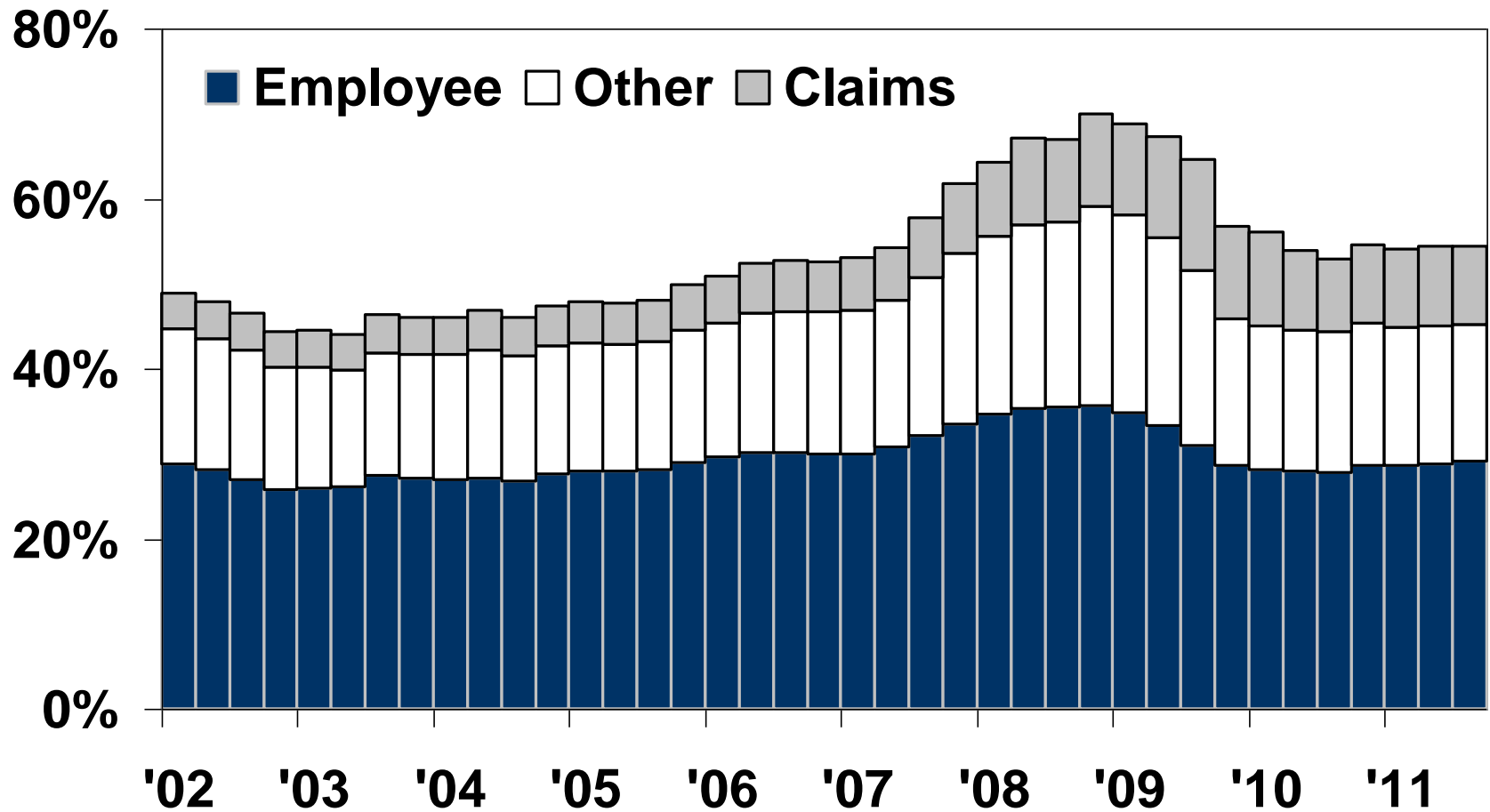
Trailing Twelve Months - \$ Millions



# Expenses - Combined Ratio

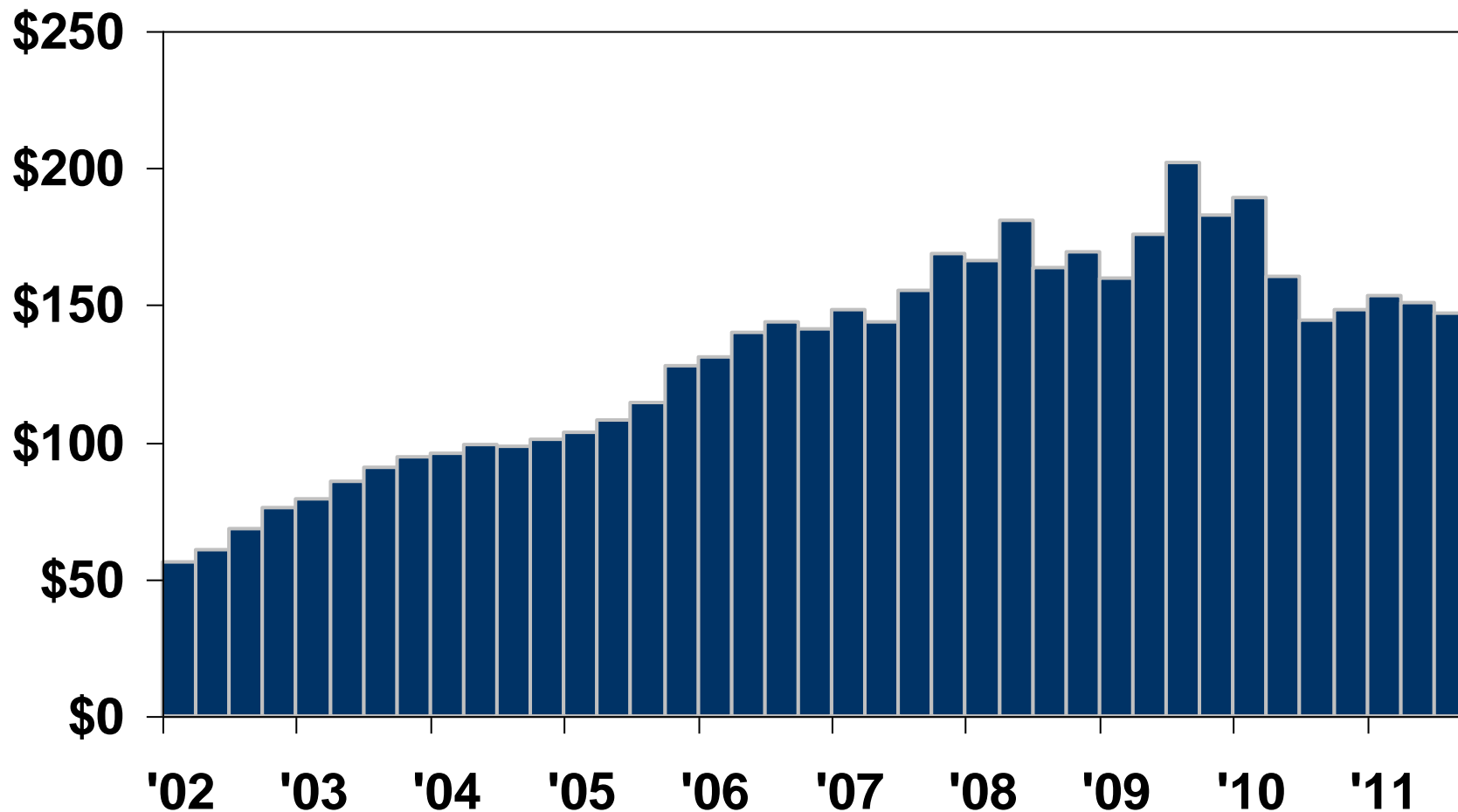
As a Percentage of Operating Revenues

*Trailing Twelve Months*



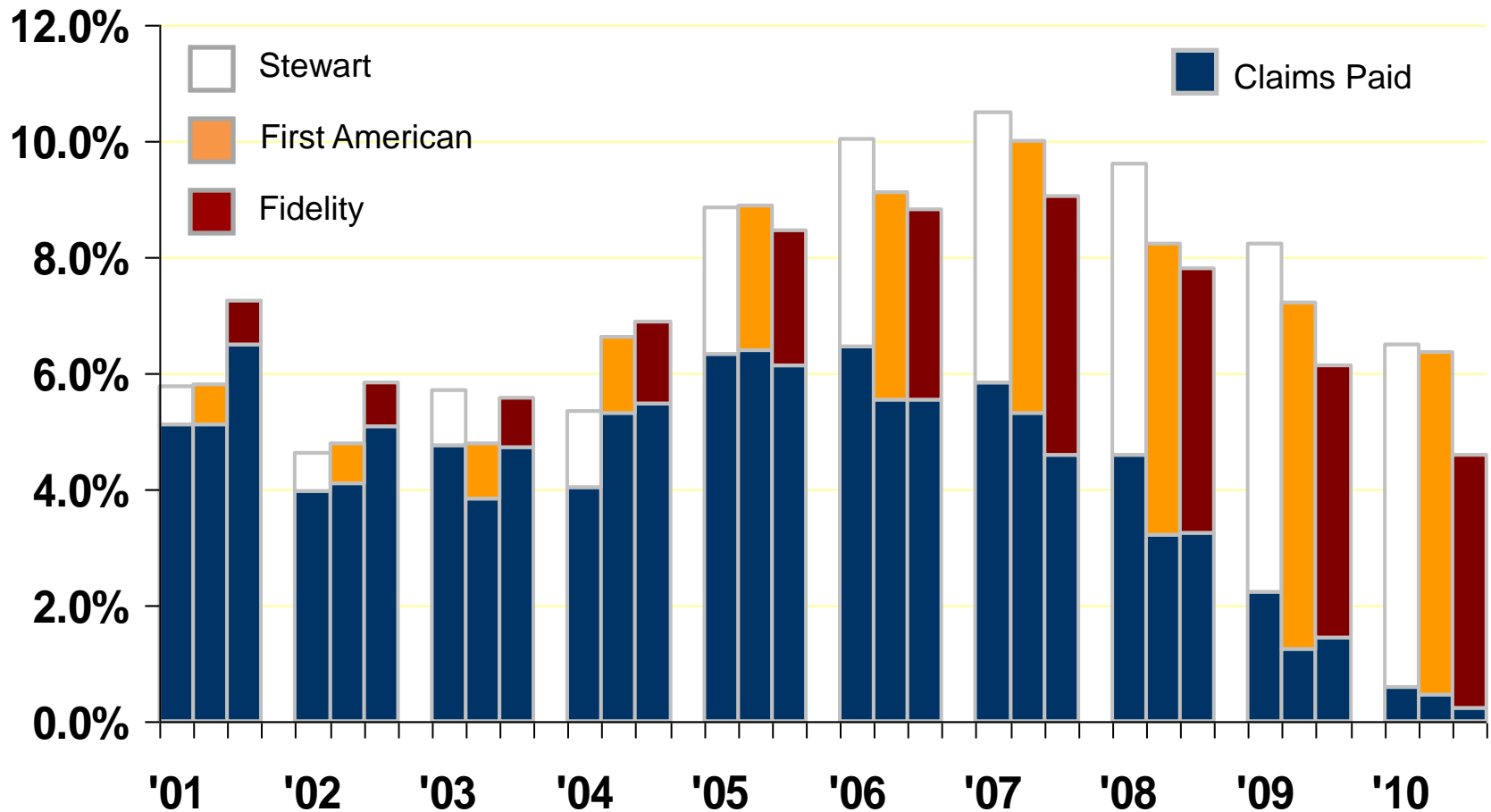
# Claims Expense - GAAP

*Trailing Twelve Months - \$ Millions*



# Ultimate Loss Ratios by Policy Year

*Actuarial Claims as a Percentage of Net Statutory Premiums Written*



Source: ALTA, Family-Company Aggregates